

SALT

Salt NZ Dividend Appreciation Fund Fact Sheet – March 2026

Manager Profile

Salt is an active fund manager. Our investment philosophy centres on the belief that share markets have characteristics that lead to market inefficiencies that can be exploited over time to deliver superior risk-adjusted returns.

Investment Strategy

The Salt NZ Dividend Appreciation Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, pay high and sustainable dividends. A considerable body of robust research suggests that stocks with strong and sustained dividend policies tend to generate higher free cash flow than average and outperform their index benchmarks over time. The strategy is not intended to naively generate the highest possible yield but rather to generate a high and sustainable dividend yield.

Fund Facts at 31 March 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	\$112 million
Inception Date	30 June 2015
Portfolio Manager	Matthew Goodson, CFA

Unit Price at 31 March 2026

Application	1.8186
Redemption	1.8112

Investment Guidelines

The guidelines for the NZ Dividend Appreciation Fund are shown below:

NZ shares	95% – 100%
Cash	0% – 5%
Unlisted securities	0% – 5%
Maximum active position	8%

Target Investment Mix

The target investment mix for the Salt Dividend Appreciation Fund is:

New Zealand Equities	100%
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Fund Allocation at 31 March 2026

NZ shares	99.37%
Cash	0.63%

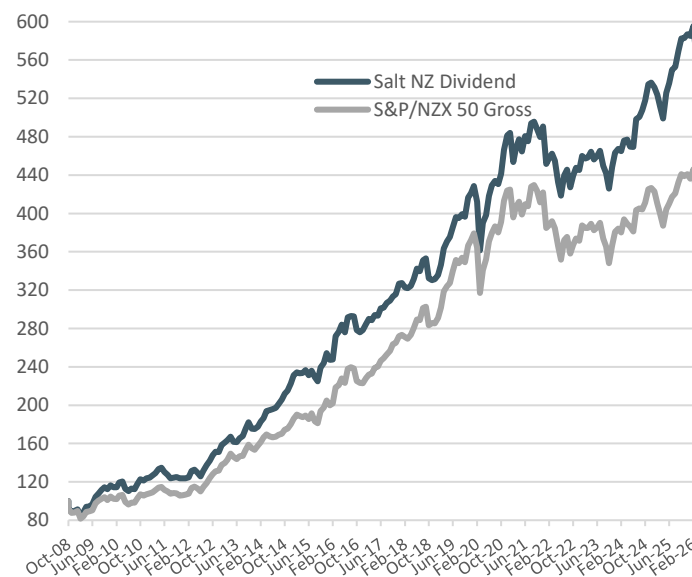
Fund Performance to 31 March 2026

Period	Fund Return*	Benchmark Return
1 month	-5.22%	-5.91%
3 months	-3.80%	-4.70%
6 months	-0.89%	-2.86%
1 year	9.95%	5.23%
2-year p.a.	8.66%	3.28%
3 years p.a.	7.03%	2.80%
5 years p.a.	3.76%	0.55%
7 years p.a.	6.42%	3.95%
10 years p.a.	7.53%	6.70%
Inception p.a.	10.37%	8.51%

Performance is after all fees and does not include imputation credits or PIE tax.

*From 1 December 2008 to 31 March 2015, performance is from a fund with the same strategy and the same portfolio manager.

Cumulative Fund Performance to 31 March 2026*



Fund performance has been rebased to 100 from inception.

Past performance is not a reliable indicator of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Top Overweights	Top Underweights
Turners Automotive Group	Auckland International Airport
Tower	Chorus Networks
Heartland Group Holdings	The a2 Milk Company
NZME	Meridian Energy
NZX	Channel Infrastructure NZ

SALT FUNDS MANAGEMENT

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Equities Market Commentary

Markets had much to navigate in the March quarter. Mega-cap technology companies came under intense scrutiny during the Q4 earnings season, the US Supreme Court ruled against President Trump's imposition of wide-ranging tariffs and Middle East tensions escalated to full-blown war in Iran. Most financial assets had a tough quarter against this backdrop, with developed market equities down -3.5% (in USD) and the global aggregate bond index fell -1.1%.

US technology stocks had a particularly challenging quarter under the glare of AI's threat to SAAS businesses and questions re the ability of hyper-scalers to generate satisfactory returns against ever higher levels of AI-related capex. The Nasdaq 100 Index fell by -7.0%, with many software companies hit far harder. The S&P/ASX All Technology Index fell -25.0% in the quarter.

Economic data was of little note in the US, and elsewhere for that matter, as the war unfolded and attention turned to the likely growth and inflation implications, and the uncertainty and inevitable trade-offs that would confront central banks. In Australia, the RBA became the first major developed central bank to tighten policy in this cycle, raising its cash rate by 25bps twice over the quarter, taking it to 4.1%. The second hike saw a close vote, though this was mostly a reflection of differing opinions on timing, rather than the need for higher rates.

The RBNZ left interest rates unchanged at its February meeting. A speech in March by the RBNZ Governor took an appropriate line, arguing the bank would look through the initial inflationary effects, but remain vigilant to the risk of that higher inflation becoming embedded. NZ 3-year swap rates rose from 3.20% to 3.73% as markets priced in 2.5 RBNZ hikes by year-end. A plethora of encouraging economic data faltered by quarter's end, thanks to the impact of Iran.

Salt NZ Dividend Fund Commentary

The Fund delivered a quarter of solid outperformance in March, declining by -3.80% compared to the -4.70% decline by the S&P/NZX50 Gross Index. It was a quarter of widespread pain, with only five names in the entire index returning above 5% and none returning above 10%.

February featured a result season that was largely in line with expectations and saw a number of companies make optimistic forward-looking comments. NZ avoided the worst of the remarkable volatility in Australia, where modest beats and misses drove outsized share price reactions, and there was an extreme variance between different sectors' performances.

There were no massive stand-out performers on either side of the ledger for the Fund. Rather, the quarter saw slightly more winners than losers, and these were of slightly greater magnitude. The biggest tailwind was our large Turners (TRA, +7.8%) overweight, which held a very well-received Investor Day. They sharply lifted their medium-term branch roll-out target, and their new FY31 NPBT target of >\$100m was well above current analyst forecasts. We note that TRA has been consistently conservative in its guidance, even though they have been up against a really tough economy – they have shown a great ability to execute.

The Heartland (HGH, +5.7%) overweight did well following a good result, but our other main contributions came from a series of underweights in Summerset (SUM, -26.7%), Air NZ (AIR, -25.9%), Sky City (SKC, -22.2%) and Ryman (RYM, -27.1%). We had no holdings in Serko (SKO, -45.5%), Vista Group (VGL, -35.0%) or Kathmandu (KMD, -31.6%).

Headwinds were led by our overweight in Fletcher Building (FBU, -19.8%), where the Middle East mayhem overshadowed a solid result and prior hopes of an imminent cyclical upswing. NZX Limited (NZX, -13.1%) and Ebos ((EBO, -17.1%) also lagged. The underweight in the strongly performing but high multiple A2 Milk (ATM, +8.6%) hurt to some degree.

At quarter-end, we project the Fund to have a net yield of 4.0% versus 3.7% for the Index.



Matthew Goodson, Portfolio Manager